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U.S. Transportation Deputy Secretary Visits Columbus for Update on Pipeline Modernization Project in Ohio

Increased Safety, More Energy Capacity & New Jobs

COLUMBUS, Ohio – U.S. Department of Transportation Deputy Secretary John Porcari and Pipeline and Hazardous Materials Safety Administrator Cynthia Quarterman joined Columbus Mayor Michael Coleman and representatives from NiSource, Inc. to discuss plans to modernize its Columbia Gas Transmission, LLC, natural gas transmission and storage system by replacing aging infrastructure.

The visit follows a pledge made earlier this year by the U.S. Department of Transportation to help expedite federal permitting for a 1,000 mile pipeline modernization project by NiSource that the company estimates will produce thousands of jobs, enhance safety and increase energy capacity. The current pipeline serves communities in six states, including the Marcellus Shale natural gas production region, where the majority of the pipeline infrastructure is more than 40 years old and running on aging platforms.

"We've asked pipeline operators to step up and take action to replace aging pipelines to ensure the safety of local communities across the country," said Deputy Secretary Porcari. "NiSource is taking action, and their efforts will produce jobs in Columbus and throughout the entire state of Ohio. But just as important, this means safer and more reliable pipelines that will benefit communities for years to come."

NiSource estimates that it will replace 459 miles of bare steel and cast iron pipe in Ohio, resulting in at least 1,000 jobs. In the Columbus area, the company estimates it will replace more than 100 miles of pipeline, creating hundreds of new jobs.

"Pipeline safety is our top priority. I encourage other pipeline operators to take a hard look at their infrastructure and determine what actions they need to take to improve safety," said PHMSA Administrator Cynthia Quarterman. "If they step up, we stand ready to assist with the permitting process and to make sure the project is constructed safely."

This massive modernization project will take place in Kentucky, Maryland, Ohio, Pennsylvania, Virginia and West Virginia, and it will promote the safe and reliable delivery of energy resources across the Midwest, Mid-Atlantic and Northeastern regions of the United States.

NiSource estimates that the modernization project will:

- Invest \$4 billion over 10 to 15 years, beginning in 2012;
- Produce an estimated 7,000 to 8,000 direct jobs by replacing aging infrastructure with safer and more reliable pipelines; and
- Replace approximately 1,000 miles of large diameter pipeline using domestic-made steel.

Last year, the department issued a <u>Call to Action</u> to the nation's pipeline operators, asking them to take a serious look at their infrastructure and identify pipelines that need to be repaired, re-qualified or replaced in order to ensure safer and more reliable delivery of energy resources. This project is also in accordance with the President's <u>Executive</u> <u>Order to Improve Performance of Federal Permitting and Review of Infrastructure</u> <u>Projects</u>.

In 2011, the agency closed a <u>record number of enforcement cases</u> and is collecting more data about pipelines and stepping up efforts to <u>inform the public</u> about staying safe around pipelines. The new <u>Pipeline Safety Act</u> gives PHMSA even more ways to hold pipeline operators accountable as well as the ability to issue civil penalties double that of previous statutory amounts for operators that violate pipeline safety laws.

The Pipeline and Hazardous Materials Safety Administration develops and enforces regulations for the safe, reliable, and environmentally sound operation of the nation's 2.6 million mile pipeline transportation system and the nearly 1 million daily shipments of hazardous materials by land, sea, and air. Please visit http://phmsa.dot.gov for more information.

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